SASKATCHEWAN

Office of the Provincial Auditor

102-05007/

Report to the Legislative Assembly of Saskatchewan on the 2001 Financial Statements of CIC Crown Corporations and Related Entities

April 2002

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

Telephone: (306) 787-6398
Fax: (306) 787-6383

E-mail: info@auditor.sk.ca
Website: http://www.auditor.sk.ca/

ISSN 0581-8214

This Report and previous Reports are available on the Internet at http://www.auditor.sk.ca/

Vision

We envision effective, open and accountable government.

Mission

We serve the people of Saskatchewan through the Legislative Assembly.
We are committed to fostering excellence in public sector management and accountability.

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

SASKATCHEWAN

Phone: (306) 787-6366
Fax: (306) 787-6383
Internet e-mail: fwendel@auditor.sk.ca

April 8, 2002

The Honourable P. Myron Kowalsky
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour to submit my *Report to the Legislative Assembly of Saskatchewan on the 2001 Financial Statements of CIC Crown Corporations and Related Entities* in accordance with the provisions of Section 14 of *The Provincial Auditor Act*.

Respectfully submitted,

Fred Wendel, CMA, CA
Acting Provincial Auditor

/kes

Report on the 2001 Financial Statements of CIC Crown Corporations and Related Entities

Purpose 1

Background 1

Results 2

This page left blank intentionally.

Purpose

The purpose of this Report is to inform the Legislative Assembly (Assembly) of our Office's views on the financial statements of Crown Investments Corporation of Saskatchewan (CIC), its subsidiaries, and other related entities. We provide our views on the financial statements of Crown agencies other than CIC entities in a separate report.

Background

The Assembly allows the Government to appoint auditors (appointed auditors) to examine and report on Crown agencies. The Provincial Auditor, however, retains overall responsibility for the audits of all Crown agencies.

In June 1994, the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors* (Task Force) (to view a copy of this report, see our website at www.auditor.sk.ca/rrd.html) recommended how the audit system for CIC and its subsidiary Crown corporations could function more efficiently and effectively. Our Office, CIC, CIC Crown corporations, and appointed auditors are using those recommendations to better serve the Assembly's needs. The Task Force recommended we give the Assembly a report listing the CIC Crown corporations in whose audits we participated.

The objectives of each audit are to form the following opinions and to report the results to the Assembly.

- An opinion on the rules and procedures used by the corporation to safeguard and control its assets and to ensure compliance with authorities pertaining to it. The audit is limited to those authorities relating to financial reporting, safeguarding assets, revenue raising, spending, borrowing, and investing activities.
- An opinion on the corporation's compliance with those authorities.
- An opinion on the reliability of the corporation's financial statements.

Our 2002 Spring Report will report the results of these audits as required by *The Provincial Auditor Act*. The appointed auditors' reports on the reliability of the CIC entities' financial statements are attached to the respective financial statements.

Results

We participated in all audits of CIC Crown corporations and related entities, except as noted in the following table.

In our opinion, for all audits we participated in and completed our work by the date of this Report, the financial statements are reliable. We will report the results of the remaining audits in a later Report.

The following table lists all CIC Crown corporations and related entities, names the appointed auditor, sets out if we participate in the audit, and states if the financial statements for the 2001 fiscal year are reliable.

Crown Agency	Appointed Auditor	Provincial Auditor: Participate in Audit	Provincial Auditor: Financial Statements are Reliable
Crown Investments Corporation of Saskatchewan – consolidated	KPMG	Yes	Yes
Crown Investments Corporation of Saskatchewan – non-consolidated	KPMG	Yes	Yes
CIC Industrial Interests Inc.	KPMG	Yes	Yes
CIC Pulp Ltd.	KPMG	Yes	Yes
CIC Foods Inc.	KPMG	Yes	Yes
CIC OSB Products Inc.	*		
Genex Swine Group Inc.	KPMG	Yes	Yes
Saskatchewan Valley Potato Corporation	KPMG	Yes	Yes
101012875 Saskatchewan Ltd.	KPMG	Yes	**
101012876 Saskatchewan Ltd.	KPMG	Yes	**
101026817 Saskatchewan Ltd.	*		
Capital Pension Plan	KPMG	Yes	Yes
Information Services Corporation of Saskatchewan	Deloitte & Touche	Yes	Yes
SaskEnergy Incorporated	Deloitte & Touche	Yes	Yes
TransGas Limited	Deloitte & Touche	Yes	Yes
Many Islands Pipe Lines (Canada) Limited	Deloitte & Touche	Yes	Yes
Bayhurst Gas Limited	Deloitte & Touche	Yes	Yes
Swan Valley Gas Corporation	Deloitte & Touche	Yes	Yes
SaskEnergy International Incorporated	Deloitte & Touche	Yes	Yes
SaskEnergy Chilean Holdings I Ltd.	Deloitte & Touche	Yes	Yes
SaskEnergy Chilean Holdings II Ltd.	Deloitte & Touche	Yes	Yes
SaskEnergy Chilean Holdings Limitada	Deloitte & Touche	Yes	Yes
Saskatchewan Development Fund Corporation	EJC Dudley & Co.	Yes	Yes
Saskatchewan Development Fund	EJC Dudley & Co.	Yes	Yes
Saskatchewan Government Growth Fund Management Corporation	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund II Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund III Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund IV Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund V (1997) Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund VI Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund VII Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund VIII Ltd.	Deloitte & Touche	Yes	Yes
617275 Saskatchewan Ltd.	*		
101005716 Saskatchewan Ltd.	*		
Saskatchewan Government Insurance	KPMG	Yes	Yes
SGI Canada Insurance Services Ltd.	KPMG	Yes	Yes
Insurance Corporation of Prince Edward Island	KPMG	Yes	Yes
Coachman Insurance Company	KPMG	Yes	Yes
Saskatchewan Government Insurance Superannuation Plan	KPMG	Yes	Yes
Saskatchewan Auto Fund	KPMG	Yes	Yes
Saskatchewan Opportunities Corporation	KPMG	Yes	Yes
Saskatchewan Power Corporation	Deloitte & Touche	Yes	Yes
SaskPower International Inc.	Deloitte & Touche	Yes	Yes
Power Greenhouses Inc.	Matchett Potts & Seipp	Yes	Yes
Northpoint Energy Solutions Inc.	Deloitte & Touche	Yes	Yes
Power Corporation Superannuation Plan	Deloitte & Touche	Yes	Yes

Report on the 2001 Financial Statements of CIC Crown Corporations and Related Entities

Crown Agency	Appointed Auditor	Provincial Auditor: Participate in Audit	Provincial Auditor: Financial Statements are Reliable
Saskatchewan Telecommunications Holding Corporation	PricewaterhouseCoopers	Yes	Yes
Saskatchewan Telecommunications	PricewaterhouseCoopers	Yes	Yes
Saskatchewan Telecommunications International, Inc.	PricewaterhouseCoopers	Yes	Yes
SaskTel International Consulting, Inc.	*		
SaskTel International (Tanzania) Ltd.	*		
Battleford International, Inc.	*		
Avonlea Holding, Inc.	*		
Carlyle Holding, Inc.	*		
Dundurn Holding, Inc.	*		
Esterhazy Holding, Inc.	*		
Foam Lake Holding, Inc.	*		
Jan Lake Holding, Inc.	*		
Katepwa Lake Holding, Inc.	*		
Hospitality Network of Canada Inc.	PricewaterhouseCoopers	Yes	Yes
Hospitality Network Canada Partnership	*		
SaskTel Holding (U.K.) Inc.	*		
SaskTel New Media Fund Inc.	*		
SecurTek Monitoring Solutions Inc.	PricewaterhouseCoopers	Yes	Yes
Securtek Partnership No. 3	*		
Grenfell Holding, Inc.	*		
101000606 Saskatchewan Ltd.	*		
101000607 Saskatchewan Ltd.	*		
620064 Saskatchewan Ltd.	*		
3339807 Canada Ltd.	*		
The Ag Dealer Ltd.	PricewaterhouseCoopers	Yes	Yes
3364381 Canada Ltd.	*		
DirectWest Publishing Partnership	PricewaterhouseCoopers	Yes	Yes
SaskTel Investments Inc.	*		
Business Watch international Inc.	PricewaterhouseCoopers	Yes	Yes
Hollywood at Home Inc.	*		
Retx.com Inc.	*		
STI Communications Pty Limited	*		
3231518 Canada Ltd. (click-a-bid)	*		
SaskTel Holding (Australia), Inc.	*		
SaskTel Holding (New Zealand) Inc.	*		
Securtek Partnership No. 4	*		
SaskTel Data Exchange Inc.	*		
IQA Corporation	*		
IQA Partnership	*		
Melfort Holding Inc.	*		
Nokomis Holding Inc.	*		
Outlook Holding Inc.	*		
Pleasantdale Holding Inc.	*		
Navigata Holding, Inc. (formerly Langenburg Holding Inc.)	PricewaterhouseCoopers	Yes	Yes
RSL COM Canada Holdings Inc.	*		
RSL COM Canada Inc.	*		
TLW Holdings Inc.	*		
MK Telecom Network Holdings Inc.	*		
MK Telecom Network Inc.	*		
Saskatchewan Telecommunications Pension Plan	PricewaterhouseCoopers	Yes	Yes
Saskatchewan Transportation Company	PricewaterhouseCoopers	Yes	Yes
Saskatchewan Water Corporation	PricewaterhouseCoopers	Yes	Yes
2000 audits completed:			
Hospitality Network of Canada Inc.	PricewaterhouseCoopers	Yes	Yes

* Audited financial statements were not prepared for 2001
** Audit not completed